

What is the World Trade Organization (WTO)?

April 12, 2000

- The WTO is central to U.S. efforts to lower foreign trade barriers and establish international rules for fair trade, safeguarding Americans against unfair trade, prohibiting discriminatory trade practices, and affording Americans commercial predictability.
- The World Trade Organization is composed of 136 countries and customs territories, who work by consensus; it reflects more than fifty years of U.S. leadership in creating an open international, rules-based trading system that yields real benefits for American workers, farmers, businesses, and consumers.
- Set up in 1995, the WTO moves well beyond its predecessor, the General Agreement on Tariffs and Trade (GATT). The WTO provides far greater benefits: opening trade in agriculture and services as well as in manufactured goods; establishing a more effective system for settling disputes among Members; protecting intellectual property rights; keeping the trading system at the cutting edge of electronic commerce and other developments in high technology; and being a dynamic forum for liberalizing trade.
- Immediate issues before the WTO include continuing to open markets through the agriculture and services talks launched this year, implementing Uruguay Round agreements, furthering poorer countries' development and integration into global trade, and the decision by China and others to join the WTO.
- The WTO Members are responsible for monitoring compliance with Agreements and setting the Organization's course. The WTO continues the GATT practice of reaching decisions by consensus, even though provisions for voting exist.
- The WTO's 136 Members account for over 90% of global trade; another 30 seek to join.
 - Unlike other international groups where admission is relatively easy, applicants to the WTO must negotiate the terms of their accession with the current Members. Thorough and complex, accession talks involve a detailed review of the applicant's entire trade regime and developing a package of specific commitments to open the applicant's markets.
- The WTO's top decision-making body, the Ministerial Conference, meets at least once every two years. In the interim, the General Council, which includes representatives from each Member, meets several times a year at the Geneva headquarters. Members also meet as the Trade Policy Review Body, to examine Members' trade policies on a regular schedule, and as the Dispute Settlement Body.
 - Numerous specialized committees, working groups, and working parties deal with particular agreements or issues such as trade and the environment, development, safeguarding against unfair trade laws, membership applications, and regional trade agreements. These bodies generally report to the General Council and include representatives from all Members.
 - Director General Mike Moore from New Zealand heads a secretariat of about 500 whose main duties include giving technical support to the WTO bodies and conferences, technical assistance to developing countries, and analyzing world trade. The WTO's annual budget is about \$85 million, of which the U.S. pays about 15 percent.
 - This compares with total budgets of \$175 million for the OECD, \$244 million for the ILO, or \$324 million for the FAO in which the U.S. assessment is 25%.